

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

May 11, 1999

LB 147A, 730

PRESIDENT MAURSTAD: The bill is advanced. Mr. Clerk.

CLERK: Mr. President, LB 730, a bill by Senator Wehrbein. (Read title.) The bill was introduced on January 20, referred to the Agriculture Committee. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM0753, Legislative Journal page 1047.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Wehrbein to open on LB 730.

SENATOR WEHRBEIN: Thank you, Mr. President and members. I'll have a brief opening and then I know Senator Dierks has the committee amendments, which I concur with. This is simply to create a task force to study between now and the 15th of December, when the report is due, to look at some ways to influence agricultural policy and perhaps take it federally. If you look at your green sheet of the bill, that's essentially the bill. There's a lead into that about the dynamics of agriculture and the constant changing, and this task force, as I conceive it, would be to come up with some answers, hopefully, between now and next year, and if legislation is needed or advisable, I would introduce that legislation next year. This is such a huge issue I'm not sure where to start but the issue is that agriculture is losing its market power. I call your attention, if you want a summary of my concern, it's on a handout that I just passed out called AGRIBUSINESS, read the last column in that particular handout. This was a study done by an ag and public policy professor at Auburn University, and he testified before the U.S. Senate Ag Committee. Since 1984, Taylor told the committee, the real price of a market basket of food has increased 2.8 percent while the farm value of that food has fallen 35.7 percent. Why? Recent studies show that 37 out of 40 subsectors of the U.S. food industry exercise statistically significant market power in setting output prices. And then it goes on to say, in other words, the farm-gate to dinner-plate market place power of the ag giants is so concentrated today that those dominating corporations can take their profit from the farmer side of the food equation, not the consumer. And, according to Heffernan and Taylor, they are. My concern is to come up with some answers to this situation, and I know it's swimming upstream in a huge agricultural policy, not